THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) (a) and (b) Yes, Sir.

(c) The issues raised by the All India Regional Rural Banks Employees Association (AIRRBEA) included their suggestion regarding total restructuring of RRBs, immediate amendment of reoruitment-cuc-promotion Rules, immediate release of additional increment as per industry-wise settlement dated 29th October, 1993 constitution of negotiating forum for RRBs and withdrawal of all vindictive actions and Chairman of Sultanpur Kshetriya Gramin Bank. As regards restructuring of RRBs, Government have initiated steps for comprehensive restructuring of 49 RRB, initially which includes cleansing of balance sheets and infusion of fresh capital., Experience with these 49 RRBs will guide the approach in later years to other RRBs As reeards reciruitment and promotion policy the draft rules are under examination in consultation with Ministry of Law. The other three demands have been noted for examination and appropriate action.

Decline in efficiency in the nationalised banks

3294. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) what are the parameters for gauging the operative and functional efficiency in the nationalised banks and the specific norms;

(b) whether it is a fact that the efficiency in the nationalised banks has been declining particularily from 1985 onwards; if so, the details of parameter-vise norms and respective efficiency in 1985, 1990, 1993 and 1994 and the reasons for the decline; and

(c) wheeler responsibilities have been fixed for lower efficiencies and the aclior taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) Reserve Bank of India (RBI) has intimated that it has not prescribed any parameters for gauging the operative and functional efficiency in the nationalised banks. However, the financial position of the nationalised banks is determined during the annual financial inspection, being carried out by RBI with reference to their position as at the end of March every year- During the financial inspection of banks, RBI estimates their loan losses, other losses, unprovided for liabilities, etc., and determines as to what extent such erosion affects their owned funds .The financial position of the banks is rated on the basis of the following criteria:—

1. In case the paid-up capital and reserves are intact, the financial position of the bank is considered as 'good'.

2. In case only the paid-up capital is intact, the financial position of the bank is considered as satisfactory'.

3. In case the paid-up capital has been affected partly after complete erosion of reserves and provisions, the financial position is considered as 'not satisfactory'.

4. In case the entire paid-up capital, reserves and provisions are eroded and deposits are affected, the financial position is considered as 'unsatisfatory*.

Non-performing assets of nationalised banks

3295. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) what has been ~the percentage of non-performing assets to total assets in each of the nationalised banks during each of the last three years;

(b) whether any enquiry /study has been made for the reasons of relatively large percentage of non-performing assets; if so, the details thereof;

(c) if not, whether there is any move to get an independent in-depth enquiry made for the reasons and circumstances for accumulation of non-performing assets; and if not, the reasons therefor; and

(d) whether specific responsibilities have been fixed for large arrears in recovery of dues including on account of loans advanced, and interests thereon; if so, the action taken against the employees of the nationalised banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) The concept of Non-performing Assets (NPAs) has stabilised for the year 1993-94. Earlier this was being referred to as sticky advances. Accordingly figures of sticky advances of nationalised banks for 1991-52, 1992-93 and NPA's for 1993-94 alongwith the percentages to total advances are 'given in the Statement-I, II and III resepctively. *(See* below)

(b) No separate enquiries/study has been made for NPA's in banks.

(c) and (d) Information is being collected and will be laid on the Table of the House.

Statement-I

Sticky advances of nationalised banks for 1991-92 *(As on* 31-3-92)

(Rupees in Crores)

Name of the Bank	Sticky advances	% to total advances
2	3	4
Allahabad Bank	688.97	19.00
Andhra Bank	369.00	18.90
Bank of Baroda	1669.32	14.80
Bank of India	3276.50	25.20
Bank of Maharashtra	599.94	31.02
Canara Bank	1865.12	20.50
7. Central Bank of India	1756.19	24.90
8. Corporation Bank	179.89	16.60
9. Dena Bank	414.41	24.10
10. Indian Bank	1729.71	25.40
11. Indian Overseas Bank	1751.37	31.70
12. New Bank of India	438.65	39.20
13. Oriental Bank of Commerce	122.38	6.62
14. Punjab National Bank	1063.55	12.50
15. Punjab & Sind Bank	512.51	32.90

1	2	3	4
16.	Syndicate Bank	1407.23	33.67
17.	Union Bank of India	709.86	19.30
18.	United Bank of India	839.61	20.20
19.	UCO Bank	1018.16	23.30
20.	Vijaya Bank	462.75	28.00
	TOTAL :	20855.13	21.9$_0$

Statement-II

Sticky advances of Nationalised banks for 1992-93 *(As on* 31-3-93)

(Rs. in crores)

Sl. No.	Name of the Bank	Sticky advances	% of total advances
1	2	3	4
1.	Allahabad Bank	1076.79	25.70
2.	Andhra Bank	490.17	24.10
3.	Bank of Baroda	2427.87	19.30
4.	Bank of India	3284.18	26.10
5.	Bank of Maharashtra	768.92	35.70
6.	Canara Bank	1945.69	21.30
7.	Central Bank of India	2276.23	30.38
8.	Corporation Bank	99.30	8.00
9.	Dena Bank	620.68	29.30
10.	Indian Bank	2358.71	28.50
11.	Indian Overseas Bank	2383.20	36.60
12.	New Bank of India (Erstwhile)	485.56	44.50
13.	Oriental Bank of Commerce	217.25	9.47
14.	Punjab National Bank	1634.47	18.40
15.	Punjab & Sind Bank	658.12	36.20
16.	Syndicate Bank	1627.18	34.00
17.	Union Bank of India	815.94	17.50

1	2	3	4
18.	United Bank of India	1092.21	34 00
19.	UCO Bank	1351.53	28.20
20.	Vijaya Bank	405.00	27.30
	TOTAL :	26328.05	25.70

Statement-II

Non-performing assets as on 31-3-94

(Rs. in crores)

Sl. No.	Nationalised Banks	NPAs	% to total advances
1.	Allahabad Bank	861 14	21.75
2.	Andhra Bank	321.23	14.73
3.	Bank of Baroda	2459.19	21.29
4.	Bank of India	2333.32	29.00
5.	Bank of Maharashtra	847.70	36.27
6.	Canara Bank	2034.01	18 25
7.	Central Bank of India	2717.92	35.59
8.	Corporation Bank	111.81	7.85
9.	Dena Bank	593.24	23.86
10.	Indian Bank	2251.21	28.85
11.	Indian Overseas Bank	2919.00	20.31
12.	Oriental Bank of Commerce	212.26	8.04
13.	Punjab National Bank	2207.69	22.30
14.	Punjab & Sind Bank	1335.99	52.17
15.	Syndicate Bank	1273.00	36.32
16.	Union Bank of India	667.69	12.32
17.	UCO Bank	1444.62	37.53
18.	United Bank of India	1131.40	35.38
19.	Vijaya Bank	455.86	9.73
	TOTAL :	26189.81	27. 2